

BadgerCare Asset Test

Division of Health Care Financing
Committee-Identified Issues – May 4, 2005



Implementing an Asset Test for BadgerCare

- Federal law allows states to impose an asset test for State Children's Health Insurance Programs (BadgerCare).
- Only three states currently impose an asset test in their SCHIP programs:
 - Texas - \$5,000 limit for families with incomes > 150% FPL
 - Idaho - \$5,000 limit for families with incomes > 150% FPL
 - Oregon - \$5,000 limit



Implementing an Asset Test for BadgerCare

- Most states have not imposed asset tests because they:
 - Force families with modest assets to deplete them and become economically less stable
 - Discourage saving and regaining financial independence
 - Not cost effective because few families have assets over \$5,000.



Implementing an Asset Test for BadgerCare

- Complicate the enrollment process and eligibility policy deterring eligible families from applying
- Increase the workload of eligibility workers who collect and process the information
- CMS would have to approve a waiver amendment before an asset test for BadgerCare eligibility could be implemented.

